

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **September 9, 2003**

AGENDA ITEM NO.: 20

CONSENT:

REGULAR: **X**

CLOSED SESSION:  
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Renewal Application For Enterprise Zone 1 Designation**

RECOMMENDATION: After the public hearing, adopt the attached resolution supporting the City's application for renewal of the downtown Enterprise Zone 1 designation which expires December 31, 2003.

SUMMARY: Lynchburg's downtown was designated in January 1984 as Enterprise Zone 1. According to the Code of Virginia, the twenty-year designation by the Commonwealth will expire on December 31, 2003. The Commonwealth will have a competitive application process open to interested jurisdictions to compete for five available designations.

The Enterprise Zone program is designed to stimulate business and industrial growth resulting in neighborhood, commercial, and economic revitalization in Virginia's distressed localities by means of regulatory flexibility, grants, and tax incentives. The area must be a distinct, economically distressed geographic area of a county, city, or town as designated by the Governor. Lynchburg's downtown zone continues to be considered an economically distressed area as twenty-five percent or more of its households have incomes below eighty percent of the city's area median income. The application will be consistent with the City's current designation boundaries and, if approved, will continue uninterrupted on January 1, 2004. The state agency that oversees Enterprise Zones is the Virginia Department of Housing and Community Development. The application is due October 1, 2003.

PRIOR ACTION(S): September 2: Physical Development Committee  
September 2: Finance Committee

### FISCAL IMPACT:

Based on the amount of refunds provided through our local incentives (business license and machinery-tools tax) over the past five years – the City forfeits \$50,830 in annual revenue. Approximately one hundred (100) businesses have participated in the program since its inception in 1984. The Commonwealth provides real property improvement tax credits and job grants. These are solely paid by the Commonwealth, not the locality.

CONTACT(S): Rachel Flynn – 847-1435 – VM - 253  
Keith Wright – 847-1671 – VM - 255

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

RESOLUTION:

WHEREAS the Lynchburg City Council conducted a public hearing on September 9, 2003, to receive citizen input regarding the proposed application re-designation of the Enterprise Zone 1 in the City of Lynchburg pursuant to the provisions of the Virginia Enterprise Zone Program; and

WHEREAS the Council has duly considered and now approves the designation and boundaries for this proposed Enterprise Zone;

NOW, THEREFORE, BE IT RESOLVED That the Lynchburg City Council endorses the application to the Virginia Department of Housing and Community Development for re-designation of this Enterprise Zone; and

BE IT FURTHER RESOLVED That the City Manager is authorized to submit all information needed to apply for zone re-designation.

BE IT FURTHER RESOLVED That the City Manager is authorized to meet other program administrative and reporting requirements, including identifying and selling all surplus public land, as defined by the Enterprise Zone Regulations, throughout the life of the zone.

Adopted:

Certified:

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Clerk of Council

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